

**THE
CALIFORNIA
DIVISION OF WORKERS'
COMPENSATION
MEDICAL LIEN DATA TRAINING**



WCIS Medical Data Collection

Workers' Compensation Information System

WCIS



Over View

- I. What is a California DWC Medical Lien?
- II. IAIABC Medical Committee Guidance.
- III. California adopted IAIABC Guidance.

Part 1 DWC Training Rethinking the Lien Process

<http://www.dir.ca.gov/DWC/educonf14/RethinkingTheLienProcess>

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Workers' Compensation

Administrative Law Judge

Disclaimer

The views expressed in this outline are Judge Foust's alone and do not reflect the views of the Division of Workers' Compensation, the Workers' Compensation Appeals Board, or any other Workers' Compensation Administrative Law Judge

What Is a Lien? (Workers' Comp Definition)

A lien is a procedural device by which someone other than an injured worker makes a monetary claim against the employer or its insurance carrier in a workers' compensation case.

Allowable "Liens" in Workers' Compensation Cases (Official Version)

- **Medical treatment and medical-legal costs**

- EDD benefits
- California Victims of Crime Program benefits
- Asbestos Workers' Account benefits
- Uninsured Employers' Fund benefits
- Living expenses of the applicant/dependents
- Burial expenses of the deceased employee
- Child & spousal support
- Attorney' fees

Direct Medical Providers

Examples

Medical Treatment Liens

- Physicians' services
- Pharmaceuticals
- Outpatient surgical services
- Durable medical equipment
- Medical travel
- Attendant & housekeeping services

Medical Treatment

Statutory Basis

“Labor Code §4600. (a) Medical, surgical, chiropractic, acupuncture, and hospital treatment, including nursing, medicines, medical and surgical supplies, crutches, and apparatus, including orthotic and prosthetic devices and services, that is reasonably required to cure or relieve the injured worker from the effects of his or her injury shall be provided by the employer...”

Notice and Request for Allowance of Lien

INFORMATION & ASSISTANCE UNIT GUIDE #14

HOW TO FILE A LIEN

Filing a Notice and Request for Allowance of Lien is how you assert a claim or right against a workers' compensation case.

Enclosed is a lien form. Complete the form. Be sure to sign and date it. Attach a full statement or itemized bill supporting the lien and justifying the right to reimbursement.

A WCAB case number must be entered on the top right hand corner of the lien. If there is no WCAB case number, contact the local I & A office.

Send the original to the WCAB and copies to all parties. It is important that you check the box indicating all parties have been served.

Employee's consent to allowance of lien and signature is not required.

Keep a copy for your records.

If you need help, you may call an Information & Assistance Office. The local I & A phone numbers are listed on the back of this guide.

The information contained in this guide is general in nature and is not intended as a substitute for legal advice. Changes in the law or the specific facts of your case may result in legal interpretations which are different than presented here.

I & A 14
Rev. 7/97

DWC WCAB Form 6

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
WORKERS' COMPENSATION APPEALS BOARD
NOTICE AND REQUEST FOR ALLOWANCE OF LIEN

(Print or type names and addresses, include ZIP Code) (DWC CASE NO.)

injured Worker	Address
Date of Onset Injury	Social Security Number
Address for injured Worker	Date of Birth
Employer	Address
Insurance Carrier or, if Self Insured, Certificate Name	Address Where Claim Administered
Filing Agency or Agency Administrator	Address
Attorney for Employer/Carrier	Address and Telephone No.
Lien Claimant	Address and Telephone No.
Attorney for Lien Claimant	Address and Telephone No.

The lien claimant hereby requests the Workers' Compensation Appeals Board to determine and allow as a lien the sum of _____ Dollars (\$ _____) against any amount now due or which may hereafter become payable as compensation to the above named worker on account of the above named injury.

This request and claim for lien is for (Mark appropriate box):

- ☐ The reasonable expense incurred by or on behalf of said worker for medical treatment to cure or relieve from the effects of said injury; or
- ☐ The reasonable medical expense incurred to prove a contested claim; or
- ☐ The reasonable value of living expenses of said worker or of his or her dependents, subsequent to the injury; or
- ☐ The reasonable living expenses of the spouse or minor children, or both, of said worker, subsequent to the date of injury, where such worker has died or is neglecting his or her family; or
- ☐ The reasonable fee for interpreter's services performed on _____ day, _____, 19____.

NOTE: ITEMIZED STATEMENT JUSTIFYING THE LIEN MUST BE ATTACHED

FOR INJURIES OCCURRING ON OR AFTER JANUARY 1, 1990, FOR WHICH THE LIEN CLAIMANT DOES NOT HAVE A WCAB IDENTIFICATION NUMBER, the lien claimant agrees under penalty of perjury that:

- ☐ a copy of the original completed Employer's Claim for Workers' Compensation Benefits (DWC Form 1) is attached, or
- ☐ the lien claimant does not have a copy of the claim form, but made the following efforts to secure one:

☐ a copy of the lien claim and supporting documents was served by mail or delivered to each of the above-named parties.

Signature of Attorney for Lien Claimant _____ Date _____
Signature of Lien Claimant _____ Date _____

EMPLOYEE'S CONSENT TO ALLOWANCE OF LIEN

I consent to the requested allowance of a lien against my compensation.

Signature of Employee for Requested Waiver _____
DWC Form 6 (Rev. 01-97) CWP 01-008

DWC WCAB Form 6 (Top half)

(Print or type names and addresses; include ZIP Codes)	ID OR CASE NO.
Injured Worker	Address
Date of Claimed Injury	Social Security Number Date of Birth
Attorney for Injured Worker	Address
Employer	Address
Insurance Carrier or, if Self-Insured, Certificate Name	Address Where Claim Administered
Adjusting Agency, if Agency Administered	
Attorney for Employer/Carrier	Address
Lien Claimant	Address and Telephone No.
Attorney for Lien Claimant	Address and Telephone No.

DWC WCAB Form 6 (Bottom half)

The lien claimant hereby requests the Workers' Compensation Appeals Board to determine and allow as a lien the sum of _____ Dollars (\$ _____) against any amount now due or which may hereafter become payable as compensation to the above named worker on account of the above claimed injury.

This request and claim for lien is for (Mark appropriate box):

☐ The reasonable expense incurred by or on behalf of said worker for medical treatment to cure or relieve from the effects of said injury; or

☐ The reasonable medical expense incurred to prove a contested claim; or

☐ The reasonable value of living expenses of said worker or of his or her dependents, subsequent to the injury, or

☐ The reasonable living expenses of the spouse or minor children, or both, of said worker, subsequent to the date of injury, where such worker has deserted or is neglecting his or her family; or

☐ The reasonable fee for interpreter's services performed on _____, 19 _____.

NOTE: ITEMIZED STATEMENT JUSTIFYING THE LIEN MUST BE ATTACHED

FOR INJURIES OCCURRING ON OR AFTER JANUARY 1, 1990, FOR WHICH THE LIEN CLAIMANT DOES NOT HAVE A WCAB IDENTIFICATION NUMBER, the lien claimant declares under penalty of perjury that:

☐ a copy of the original completed Employee's Claim for Workers' Compensation Benefits (DWC Form 1) is attached, or

☐ the lien claimant does not have a copy of the claim form, but made the following efforts to secure one:

☐ a copy of the lien claim and supporting documents was served by mail or delivered to each of the above-named parties.

Signature of Attorney for Lien Claimant Signature of Lien Claimant Date

Supporting Document (Medical Bill)

HEALTH INSURANCE CLAIM FORM
Form 1500
03/12/00

PATIENT INFORMATION
NAME: [REDACTED]
ADDRESS: [REDACTED]
CITY: [REDACTED] STATE: [REDACTED] ZIP: [REDACTED]
DATE OF BIRTH: [REDACTED] SEX: [REDACTED]
INSURANCE INFORMATION
INSURANCE TYPE: [REDACTED]
POLICY NUMBER: [REDACTED]
GROUP NUMBER: [REDACTED]
EFFECTIVE DATE: [REDACTED]
EXPIRATION DATE: [REDACTED]
SERVICES RENDERED
DATE OF SERVICE: [REDACTED]
TIME: [REDACTED]
LOCATION: [REDACTED]
CPT CODE: [REDACTED]
ICD-9 CODE: [REDACTED]
DIAGNOSIS: [REDACTED]
TREATMENT: [REDACTED]
PROVIDER INFORMATION
NAME: [REDACTED]
ADDRESS: [REDACTED]
CITY: [REDACTED] STATE: [REDACTED] ZIP: [REDACTED]
PHONE: [REDACTED]
FAX: [REDACTED]
E-MAIL: [REDACTED]

Part 2 IAIABC Guidelines

California L.C. §138.6 Workers' Compensation Information System

The data collected electronically shall be compatible with the Electronic Data Interchange System of the International Association of Industrial Accident Boards and Commissions



IAIABC EDI IMPLEMENTATION GUIDE

for

Medical Bill Payment Records

Release 1

July 4, 2002

International Association of Industrial Accident Boards and Commissions

WWW.IAIABC.ORG

BUSINESS REQUIREMENT/ISSUE:

- The existing 837 did not have a mechanism to report lump sum settlements (Bundled Medical Bills).
- The IAIABC Medical Committee formed a sub committee composed of stakeholders from the industry and the state to develop a resolution to Medical Lien settlement issue.

IRR: MED547R1.0

The charge of the IAIABC Medical Work Group Sub Committee on California Lien Bills was to determine if the IAIABC ANSI 837 Standard could be used to report additional lump-sum lien bill settlements paid to the medical provider.

IAIABC Guidelines

- The committee determined, in consultation with the Medical Work Group and an ANSI liaison, that the standard supports the reporting of zero-dollar payments.
- The sub committee determined the jurisdiction could adopt up to four jurisdictional codes that are recommended to become a part of the IAIABC ANSI 837 standard.

Jurisdictional Codes for Bundled Bills

MDS10

Lump sum settlement for multiple bills where the amount of reimbursement is in dispute between the claims payer and the healthcare provider.

MDO10

Jurisdiction orders a lump sum payment for multiple bills where the amount of reimbursement is in dispute between the claims payer and the healthcare provider

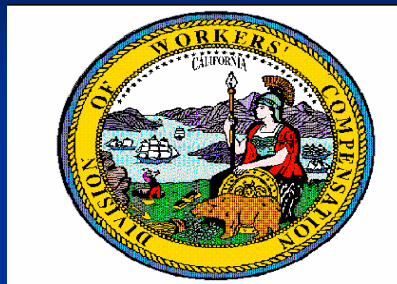
MDS11

Lump sum settlement for multiple bills where liability for a claim was denied but finally accepted by the claims payer

MDO11

Jurisdiction orders a lump sum payment for multiple bills where claims payer is found to be liable for a claim which it had denied liability.

Part 3 California Adopted IAIABC Guidelines



www.dir.ca.gov

Workers' Compensation Information System
(WCIS)

California EDI Implementation Guide
for

Medical Bill Payment Records

Version 1.0

December 2005

Bill Submission Sequencing Bundled Bills

Bill Submission Reason Codes (BSRC)

- 00 original

00 must be used with the initial medical bill payment report sent.

- All individual Zero Pays
- Bundled (Multiple) Lien Bills

Medical Bill Reporting Process Bundled Multiple Bills

1. Sender transmits original "Zero Pay" bill, including all lines, utilizing a BSRC "00"
2. DWC sends a 997 "A" and a "TA" 824 acknowledgement to sender
3. Sender changes the value of data elements (Lien Settlement) on the original bills
4. Sender transmits the updated bill (Lien Settlement), with all individual lines on all bills bundled as one lump sum payment, as a BSRC "00"
5. DWC sends a 997 "A" and a "TA" 824 acknowledgement to sender

Bundled Bills Lump Sum Payment

The image displays three medical billing forms. The leftmost form is a detailed invoice listing various medical services with their respective charges and a total amount. The middle form is a summary of charges, showing a total bill amount and a lump sum payment. The rightmost form is a statement of account, detailing the patient's account balance and the lump sum payment received.

Summary of Reporting Requirements

1. Report zero payment denied individual bills.
2. Report “bundled” lien payment as a “new” bill utilizing one of the four California adopted IAIABC codes.
 1. MDS10
 2. MDS11
 3. MDO10
 4. MDO11

Summary of Reporting Timeline (Based on Dates of Service)

- ✓ All non lien zero pay bills (\$=0), with dates of service of 9-22-2006 or later, are reportable from 9-22-2006.
 - ✓ Unless a variance was granted
- ✓ All lien zero pay bills (\$=0), with dates of service of 9-22-2006 or later, are reportable from 9-22-2006.
 - ✓ Unless variance was granted
- ✓ Applicable as defined by the four California adopted codes within IAIABC IRR:MED547R1.0 “bundled” lump sum bill lien payments (\$>0) are reportable.

Frequently Asked Questions

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